



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 15, 2013

### Legal Description of Property

Square: 0162 Lot: 0817

Property Address: 1705 DeSales Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	3,586,430	Land	3,586,430
Building	2,376,670	Building	2,376,670
Total	\$ 5,963,100	Total	\$ 5,963,100

### Rationale:

The subject property consists of a "mid block", class B, small office building which was built in 1963 and renovated in 1986. The building contains approximately 26,928 sq. ft. of net rentable area (NRA) and sits on a 3,800 sq. ft. lot. The building has no "on-site" parking accommodations. It is located two blocks north of K Street in the Downtown CBD.

The Petitioner's appeal is based on the issues of equalization and valuation; however, no argument was presented on the issue of equalization. The appeal is therefore based entirely on the results of the Petitioner's income approach which focuses on the claim that the Office of Tax and Revenue (OTR) has overstated the market rent of the property.

The Commission reviewed the analysis of both parties and determined that the best and fairest estimate of market rent is the average rent of the two most recent leases. However, making this modest change in the analysis does not reach the 5% rule threshold to justify changing the proposed assessment (Pursuant to D.C. Official Code § 47-825.01 a(e)(4)(C)(ii)(2012 Supp.), the Commission has the responsibility to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property). The Commission therefore sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

Gregory Syphax

Cliftine Jones

May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

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Date: January 15, 2013

### Legal Description of Property

Square: 0182 Lot: 0082

Property Address: Rhode Island Avenue NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	26,169,800	Land	26,169,800
Building	1,000	Building	1,000
Total	\$ 26,170,800	Total	\$ 26,170,800

### Rationale:

The subject property is an irregular shaped lot containing 15,394 sq. ft. of land area located near Scott Circle in the Golden Triangle area of Downtown CBD. The site is improved with paved surface and is utilized as a parking lot. Zoned C-4 with a FAR of 8.5 the Office of Tax and Revenue (OTR) appropriately assesses the property as a development site.

The appeal was submitted on the basis of equalization and valuation. The Petitioner presents a sales comparison analysis utilizing sales located in the CBD to support the estimate of value. The Assessor for the OTR reviewed the data and points out that the only two of the sales are located within the Golden Triangle and the Petitioner's analysis makes no adjustments for locational differences.

The Commission finds that comparable vacant and meaningful land sales are extremely scarce. However, the best data appears to be provided by the sale referenced by both parties at 6<sup>th</sup> & New York Avenue which reportedly sold for \$201.58 per FAR (subject is valued at \$200/FAR). Considering its location this sale likely represents the lower-end of the subject property's market value. Due to the scarcity of data, the Commission also considers the prior sale of the subject property in August of 2007 for \$31,450,000 or \$240/FAR.

After review, the Commission determines that the Petitioner does not make a convincing argument that the OTR's analysis and value estimate are erroneous. The proposed assessment for Tax Year 2013 is thereby sustained.

### COMMISSIONER SIGNATURES

Gregory Syphax

Clifline Jones

May Chan

### FURTHER APPEAL PROCEDURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0184 Lot: 0805

Property Address: 1627 K Street NW

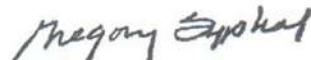
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	9,468,290	Land	9,468,290
Building	10,066,790	Building	10,066,790
Total	\$ 19,535,080	Total	\$ 19,535,080

### Rationale:

The subject property is a Class B office building containing approximately 64,370 sq. ft. of net rentable area (NRA). The property is situated on an interior lot containing 6,733 sq. ft. of land area and located in the Downtown CBD. The building was built in 1977 and has not been recently renovated. On-site parking is limited to 2-3 cars. The Petitioner's appeal was submitted on the basis of equalization and valuation. The Petitioner presents an income approach analysis to support their estimate of value.

The Commission reviewed both of the income approach analyses submitted by the Petitioner and the Office of Tax and Revenue (OTR) and has determined that the only significant difference between the two is the selection of the capitalization rate. The OTR uses the low-end of the Delta Cap Rate Study for downtown (DC) Class B office buildings. The Petitioner used the higher-end of the same study but fails to show by a preponderance of the evidence that the OTR's capitalization rate is erroneous. Therefore, the Commission sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



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Date: January 22, 2013

### Legal Description of Property

Square: 0186 Lot: 0810

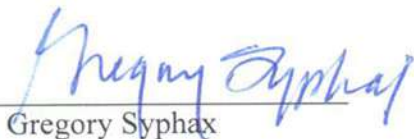
Property Address: 815 Connecticut Avenue NW

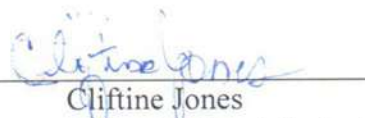
ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	38,981,250	Land	38,981,250
Building	48,794,920	Building	36,018,750
Total	\$ 87,776,170	Total	\$ 75,000,000

**Rationale:** The subject property is described as a large Class B office building which was built in 1963 (last renovated in 1988). The property is located at the corner of Connecticut Avenue and I Street, one block north of Lafayette Square in the Downtown CBD. The building contains approximately 189,669 sq. ft. of net rentable area (NRA) and sits on a 20,790 sq. ft. lot. The Petitioner submits that the property was under major renovation at a projected cost of approximately \$54,000,000 as of the effective date of January 1, 2012. The appeal is submitted on the bases of equalization and valuation and focuses on the fact that the property is unstable due to on-going renovation and high vacancy rate. The argument for equalization was not presented at the hearing.

The Commission reviewed the submissions by both Petitioner and the Office of Tax and Revenue (OTR). The Commission finds that the OTR has taken into consideration most of the issues that are raised by the Petitioner in its valuation analysis. OTR does not give any consideration to the Petitioner's request for capital expenditures. The Commission has determined that based on the acknowledgement by the Assessor that the property is under major renovation to convert the building into a "trophy" building by January, 2013, the Commission has decided to give consideration to the future capital expenditures that is shown of the Petitioner's income and expense form for Tax Year 2013 and has included the net present value of those costs as deduction. The Petitioner fails to show that the capitalization rate used by the OTR is erroneous. Based on the results of the Commission's review and the modifications made to OTR's valuation worksheet for capital expenditures, a reduction of the proposed assessment for Tax Year 2013 is deemed warranted.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones  
Dissent - See Attached

  
May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



Dissenting Opinion of Commissioner Cliftine Jones

Regarding: Square: 0186 Lot: 0810


815 Connecticut Avenue N.W.

The subject Class A property has undergone a major renovation within the calendar year 2011:

30 Million Dollars was spent and 12 Million Dollars is expected to be spent in calendar year 2012. The combined costs for the two calendar years are 42 Million Dollars. The subject, after completion is said to be a "Trophy" Building. In consideration of the major renovations, it is my humble opinion that in order for the 12 Million Dollars to be deducted from the overall value, certain considerations should be implemented:

1. The 12 Million Dollar expenditure should be capitalized with higher rents and a lower capitalization rate. The capital expenditure adjustments allowed should be applied as a reserve for replacement allowances rather than as major capital renovations and rehab expenses.
2. A "Schedule of Costs Form" from the Developer should have been submitted by the Petitioner as evidence indicating anticipated capital improvements which would assist the Commission in determining the accurate deduction for those expenditures.
3. The present reduction in valuation for Tax Year 2013 to 75 Million Dollars is the approximate valuation of the subject two years ago, Tax Year 2011, before approximately 30 Million Dollars of major renovations have occurred.
4. The Washington Business Journal indicates that the General Contractor, Forrester Construction Co., recently completed renovations after a "30 Million-plus overhaul and that the asking rents are from \$43.00 to \$52.00 per square foot."

For the aforementioned reasons, I respectfully dissent from the majority's decision to reduce the subject's proposed assessment for the Tax Year 2013.



Cliftine Jones



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Date: January 15, 2013

### Legal Description of Property

Square: 0196 Lot: 0034

Property Address: 1525 M Street NW

#### ORIGINAL ASSESSMENT

#### FINAL ASSESSMENT

Land	14,446,900	Land	14,446,900
Building	9,574,820	Building	9,574,820
Total	\$ 24,021,720	Total	\$ 24,021,720

### Rationale:

The subject property consists of two buildings which are operated as one economic unit. The properties are located at the corner of 16<sup>th</sup> and M Street NW and are owner-occupied by the National Education Association (NEA). The Petitioner's appeal is based on the issues of equalization and valuation; although no argument was presented on the issue of equalization. The appeal is therefore based entirely on the results of the Petitioner's income approach.

The primary difference between the Petitioner's income approach and the Office of Tax and Revenue's (OTR) income approach rest on the estimates for operating expenses and lease-up costs. The Petitioner included 5% management fee in operating expenses and a higher estimate for lease-up costs. The Commission reviewed the analysis for both parties and determined that the Petitioner's estimates are unsupported by any evidence that indicates that the OTR's estimates are erroneous. The Commission sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

Gregory Syphax

Cliftine Jones

May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



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Date: January 15, 2013

### Legal Description of Property

Square: 0196 Lot: 0035

Property Address: 1201 16<sup>th</sup> Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	37,224,140	Land	37,224,140
Building	40,344,480	Building	40,344,480
Total	\$ 77,568,620	Total	\$ 77,568,620

### Rationale:

The subject property consists of two buildings which are operated as one economic unit. The properties are located at the corner of 16<sup>th</sup> and M Street NW and are owner-occupied by the National Education Association (NEA). The Petitioner's appeal is based on the issues of equalization and valuation; although no argument was presented on the issue of equalization. The appeal is therefore based entirely on the results of the Petitioner's income approach.

The primary difference between the Petitioner's income approach and the Office of Tax and Revenue's (OTR) income approach rest on the estimates for operating expenses and lease-up costs. The Petitioner included 5% management fee in operating expenses and a higher estimate for lease-up costs. The Commission reviewed the analysis for both parties and determined that the Petitioner's estimates are unsupported by any evidence that indicates that the OTR's estimates are erroneous. The Commission sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

Gregory Syphax

Cliftine Jones

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### FURTHER APPEAL PROCEDURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0214 Lot: 0859

Property Address: 1 Thomas Circle NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	37,500,000	Land	37,500,000
Building	50,076,300	Building	50,076,300
Total	\$ 87,576,300	Total	\$ 87,576,300

### Rationale:

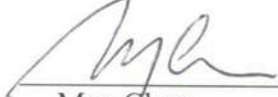
The subject property consists of a Class B, multi-tenant office building, located at the corner of Vermont Avenue and M Street NW on Thomas Circle in Downtown CBD. The building contains approximately 224,734 sq. ft. net rentable area (NRA) and is situated on a 25,000 sq. ft. lot. The Petitioner submits the appeal based on equalization and valuation, although no argument on the issue of equalization. The Petitioner utilizes the income approach to support the claim that the proposed assessment by the Office of Tax and Revenue (OTR) is erroneous.

The income approach analysis performed by the Assessor for the OTR uses a higher rental rate than that used in the Petitioner's analysis. All other calculations are reasonably similar and the cap rate is the same. The Petitioner also submits a sales comparison approach which focuses on price per square foot data. Neither of the two analyses provides evidence that the OTR's rental rate estimate is overstated or erroneous in the income approach nor does the Petitioner's sales comparison approach indicate that the assessment is too high per square foot of building area (in fact, the assessed value per square foot falls within the range that is reflected by the sales data). The Commission finds that the Petitioner fails to show by a preponderance of the evidence that the proposed assessment is erroneous. The assessment for Tax Year 2013 is therefore sustained.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0216 Lot: 0036

Property Address: 1426 L Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	331,760	Land	331,760
Building	1,353,930	Building	1,353,930
Total	\$ 1,685,690	Total	\$ 1,685,690

### Rationale:

The subject property consists of a three-story commercial storefront building with retail/restaurant space on the first floor and small office space on the upper floors. The building is attached to a similar styled and similarly configured structure that is next door at 1422-1424 L Street. Both properties are owned by the same entity and are operated as a single economic unit. However, each property is assessed as separate properties-separate buildings on separate lots. The Petitioner's appeal analyzes the two properties as one and submits a Market Sales Comparison Approach to support the claim that the proposed assessment for each property is erroneous.

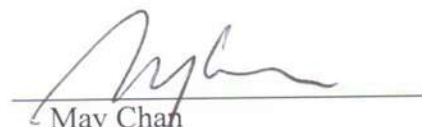
The Assessor for the Office of Tax and Revenue (OTR) utilizes the Income Approach to estimate each property's market value. The Assessor also performed an exterior inspection and discovered via "on site" measurements, that the Net Rentable Area (NRA) is substantially different than what is reported on the Petitioner's Tax Year 2013 Income and Expense Form. The Assessor therefore revised the initial assessment.

The Petitioner's Sales Comparison Analysis utilizes sales which have similar use-type classifications, but are substantially different in location and size. The Petitioner makes no adjustments to quantify these differences. The Petitioner therefore fails to produce any evidence that indicates that the proposed assessment on the subject property is erroneous. Based upon the Assessor's exterior inspection and revision of the building's NRA calculation, the Commission accepts the Assessor's Recommendation to sustain the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



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Date: January 15, 2013

### Legal Description of Property

Square: 0216 Lot: 0805

Property Address: 1422 L Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	400,500	Land	400,500
Building	2,128,040	Building	1,374,000
Total	\$ 2,528,540	Total	\$ 1,774,500

### Rationale:


The subject property consists of a three-story commercial storefront building with retail/restaurant space on the first floor and small office space on the upper floors. The building is attached to a similar styled and similarly configured structure that is next door at 1422-1424 L Street. Both properties are owned by the same entity and are operated as a single economic unit. However, each property is assessed as separate properties-separate buildings on separate lots. The Petitioner's appeal analyzes the two properties as one and submits a Market Sales Comparison Approach to support the claim that the proposed assessment for each property is erroneous.

The Assessor for the Office of Tax and Revenue (OTR) utilizes the Income Approach to estimate each property's market value. The Assessor also performed an exterior inspection and discovered via "on site" measurements, that the Net Rentable Area (NRA) is substantially different than what is reported on the Petitioner's Tax Year 2013 Income and Expense Form. The Assessor therefore revised the initial assessment and makes a recommendation to the Commission to reduce the proposed assessment by 29.8% to \$1,774,500.

The Petitioner's Sales Comparison Analysis utilizes sales which have similar use-type classifications, but are substantially different in location and size. The Petitioner makes no adjustments to quantify these differences. The Petitioner therefore fails to produce any evidence that indicates that the proposed assessment on the subject property is erroneous. Based upon the Assessor's exterior inspection and revision of the building's NRA calculation, the Commission accepts the Assessor's Recommendation to reduce the proposed assessment for Tax Year 2013 to the recommended value.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0217 Lot: 0007

Property Address: 1413 K Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	3,948,750	Land	3,948,750
Building	2,664,320	Building	2,315,600
Total	\$ 6,613,070	Total	\$ 6,264,350

### Rationale:

The subject property consists of a Class B/C, multi-tenant office building with first floor retail space, located in the Downtown CBD. The building contains approximately 30,627 sq. ft. of net rentable are (NRA) and is situated on a 3,250 sq. ft. interior lot. The Petitioner submits the appeal based on equalization and valuation, although no argument was presented on the issue of equalization. The Petitioner utilizes the income approach to support the claim that the proposed assessment by the Office of Tax and Revenue (OTR) is erroneous.

The income approach analysis performed by the Assessor for the OTR uses a higher rental rate than that used in the Petitioner's analysis. All other calculations are reasonably similar and the cap rate is the same. The Petitioner's estimated rental rate of \$27.00/sq. ft. is based on the most recent leases within the building (dated 2011). The Assessor cites a CoStar listing which advertises available space in the building at \$28.50/sq. ft. to support a higher rental of \$30.00/sq. ft.

The Commission reviewed the Tax Year 2013 rent roll and finds the five most recent leases in the range of \$26.00/sq. ft. to \$29.00 per square foot with an upward trend. The Commission estimates the applicable rental rate at \$29.00/sq. ft. which supports a reduction in value just below the 5% rule (Pursuant to D.C. Official Code § 47-825.01 a(e)(4)(C)(ii)(2012 Supp.), has the responsibility to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property).

### COMMISSIONER SIGNATURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0218 Lot: 0813

Property Address: 920 14<sup>th</sup> Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	1,364,090	Land	1,364,090
Building	4,502,160	Building	4,502,160
Total	\$ 5,866,250	Total	\$ 5,866,250

### Rationale:

The subject property is three story commercial building which houses a night club. The building contains approximately 12,500 sq. ft. of net rentable area (NRA) and is situated on an interior lot containing 2,835 sq. ft. of land area. The building was originally built in 1980. The property is located in the "East End" of the Downtown CBD. The Petitioner's appeal was submitted on the basis of equalization and valuation and presents an income approach analysis and sales data to support the claim that the Petitioner's value estimate is more credible than the Office of Tax and Revenue (OTR).

The Commission reviewed both of the income approach analyses submitted by the Petitioner and the Office of Tax and Revenue and has determined that the main difference between the two is the selection of the appropriate capitalization rate. The Petitioner's use of a cap rate based on published data taken from a CBRE Capitalization Rate Survey for "Retail Neighborhood/Community Center" and "Retail Power Center" investment properties in Washington DC appears to be inappropriate considering the subject's prime location within the Downtown CBD. The Commission therefore rejects the Petitioner's analysis and sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

Gregory Syphax

Cliftine Jones

May Chan

### FURTHER APPEAL PROCEDURES

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Date: January 15, 2013

### Legal Description of Property

Square: 0218 Lot: 0824

Property Address: 1420 K Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	8,537,350	Land	8,537,350
Building	9,180,760	Building	9,180,760
Total	\$ 17,718,110	Total	\$ 17,718,110

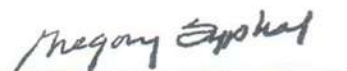
**Rationale:** The subject property is a Class B office building with ground level retail space. The building contains approximately 57,870 sq. ft. of net rentable area (NRA) and is situated on an interior lot containing 6,071 sq. ft. of land area. The building was built in 1986 and has not been renovated. The property is located in the "East End" of Downtown CBD. The Petitioner's appeal was submitted on the basis of equalization and valuation and presents an income approach analysis to support the claim that the Petitioner's valuation is more credible than the OTR's valuation.


The Commission reviewed both of the income approach analysis submitted by the Petitioner and the Office of Tax and Revenue (OTR) and has determined that the main difference between the two are the calculations for potential gross income (PGI), operating expenses, and the selection of the appropriate capitalization rate.

- The Petitioner's PGI is less than what is reported on the Petitioner's Income & Expense (I&E) form. The OTR utilizes and estimate that closely approximates the actual PGI.
- The Petitioner's uses a "stabilized" estimate for operating expenses. The OTR uses the actual expenses as reported on the Tax Year 2013 Income & Expense form.
- The Petitioner uses the high-end of the Delta Cap Rate Study for downtown (DC) Class B office buildings. The OTR uses the lower-end of the same study.

The Commission finds that OTR's analysis to be more credible than that of the Petitioner. The Petitioner's analysis and testimony fails to show by a preponderance of the evidence that the OTR's capitalization rate is erroneous. Therefore, the Commission sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 31, 2013

### Legal Description of Property

Square: 0250 Lot: 0858

Property Address: 815 14<sup>th</sup> Street NW

#### ORIGINAL ASSESSMENT

#### FINAL ASSESSMENT

Land	24,908,630	Land	24,908,630
Building	90,937,800	Building	90,937,800
Total	\$ 115,846,430	Total	\$ 115,846,430

### Rationale:

The subject property is the Hilton Garden Inn Hotel which was constructed in 1999. The 300 room hotel contains approximately 162,698 sq. ft of Gross Building Area (GBA) and sits on a 15,815 sq. ft. interior lot. The property is well located in the Downtown CBD just three blocks from the White House. The hotel is fully operating and the condition of the property is described as good. The appeal is based on the issues of *Equalization* and *Valuation*. However, no argument was presented on the issue of equalization at the hearing.

The Petitioner's Income Approach analysis focuses on the Office of Tax & Revenue's (OTR) estimates for *Cost of Trade Name* (Franchise Tax), *Capital Costs*, and *Capitalization Rate*. As evidence, the Petitioner provided an unsigned document with an effective date of February 8, 2008, (submitted as Attachment B) titled "Rider To Franchise License Agreement" that suggests that a monthly program and monthly royalty fee supports their contention that OTR's estimate for Franchise Fee is too low. The Petitioner also argues that the OTR's analysis fails to give any consideration for the Capital Costs estimate that was reported in the Petitioner's Income and Expense form for TY 2013.

The Petitioner's argument on the issue of capitalization rate is based on data taken from a cap rate survey by CBRE which provides a range in cap rates for full service hotels in Washington DC of 7.25% to 8.25% (unloaded). The Petitioner's cap rate is based on the high end of that range. The Commission finds that the cap rate used by the OTR falls towards the lower range for full service hotel cap rates that is provided by PricewaterhouseCoopers – Korpacz Real Estate Investor Survey published in the OTR's TY 2013 Pertinent Data Book. Considering the subject's particular location within the Downtown CBD, it appears reasonable that the lower end cap rate in the survey would be appropriate. The Petitioner therefore fails to show that the cap rate used by the OTR is erroneous. After the review of all the evidence, the Commission does not accept the Petitioner's evidence that supports increasing the Franchise Fee since. The Commission also does not grant the request for consideration to Capital Expenditures since the Petitioner fails to provide a detailed list of costs as required by the Office of Tax & Revenue. The Commission therefore sustains the proposed assessment for Tax Year 2013.

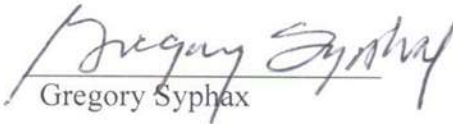


Square: 0250 Lot: 0858

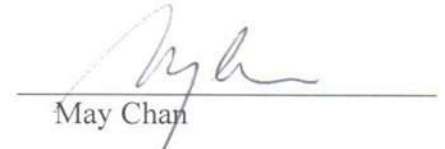
Property Address: 815 14<sup>th</sup> Street NW

After the review of all the evidence, the Commission does not accept the Petitioner's evidence that supports increasing the Franchise Fee since. The Commission also does not grant the request for consideration of capital expenditures since the Petitioner fails to provide a detailed list of costs as required by the Office of Tax and Revenue. The Commission therefore sustains the proposed assessment for Tax Year 2013.

### COMMISSIONER SIGNATURES

  
Gregory Syphax

  
Cliftine Jones

  
May Chan

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.01a of the District of Columbia Statute you are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 10, 2013

### Legal Description of Property

Square: 0375 Lot: 0125

Property Address: 750 9<sup>th</sup> Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	41,371,970	Land	41,371,970
Building	160,443,150	Building	160,443,150
Total	\$ 201,815,120	Total	\$ 201,815,120

### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for tax year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were below grade rent for 11,823 square feet of office space, office rent, retail rent, vacancy rate, expenses, lease growth rate, capital expenditures, lease-up cost, and capitalization rate. The Office of Tax and Revenue (OTR) reviewed the updated income and expense information provided by the Petitioner and addressed the vacancy rate and lease growth rate. The Commission has reviewed the income analysis provided by both the Petitioner and OTR and finds that, in this case, OTR has recognized the lower level space as a long-term lease and that there is no impact on the value resulting from the lease-up cost associated with lower market rent. The expenses used by OTR are greater than what is reported on the income and expense reports provided by the Petitioner. The Petitioner failed to show by a preponderance of the evidence that the office rent, retail rent, capital expenditures, and capitalization rate used by OTR are incorrect. The OTR uses a five year lease-up projection in its income analysis. The alternative ten year lease-up projection in the Petitioner's analysis does not prove that OTR's analysis is incorrect. The proposed tax year 2013 assessment is sustained.

Hillary Lovick, Esq.

### COMMISSION SIGNATURES

Andrew Dorchester

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.01a of the District of Columbia Statute you are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 10, 2013

### Legal Description of Property

Square: 0375 Lot: 0827

Property Address: 750 9<sup>th</sup> Street, NW


ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	26,390	Land	26,390
Building	0	Building	0
Total	\$ 26,390	Total	\$ 26,390

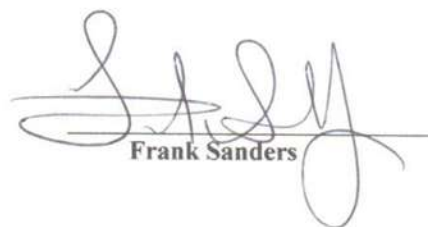
### Rationale:

The Petitioner did not challenge the assessment. The Commission sustains the proposed 2013 tax year assessment.

### COMMISSION SIGNATURES

  
Hillary Lovick, Esq.

  
Andrew Dorchester

  
Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.01a of the District of Columbia Statute you are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 10, 2013

### Legal Description of Property

Square: 0375 Lot: 0828

Property Address: 750 9<sup>th</sup> Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	784,890	Land	784,890
Building	0	Building	0
Total	\$ 784,890	Total	\$ 784,890

### Rationale:

The Petitioner did not challenge the assessment. The Commission sustains the proposed 2013 tax year assessment.

### COMMISSION SIGNATURES

Hillary Lovick, Esq.

Andrew Dorchester

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.01a of the District of Columbia Statute you are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 10, 2013

### Legal Description of Property

Square: 0377 Lot: 0040

Property Address: 901 E Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	33,171,930	Land	33,171,930
Building	80,731,870	Building	66,296,270
Total	\$ 113,903,800	Total	\$ 99,468,200

### Rationale:

The subject is a partially owner-occupied office building. The Petitioner raises the following issues in this appeal: office rents, below grade space square footage, expenses, vacancy rate, capital expenditures, parking income, storage income, lease growth rate, and capitalization rate. Prior to the Real Property Tax Appeals Commission (RPTAC) hearing, the Office of Tax and Revenue (OTR) addressed the following issues after reviewing the income and expense information for tax year 2013: vacancy rate, parking income, storage income, and lease growth rate. At the RPTAC hearing, the Petitioner stated that OTR also incorrectly added other income when making referenced adjustments. The Commission has reviewed the income and expense documentation and finds no evidence to support the other income added by OTR. The Petitioner failed to demonstrate by a preponderance of the evidence that OTR's office rent and capitalization rate are incorrect. The Commission removed the other income included in OTR's analysis, made an adjustment to the expenses, corrected the 17,263 lower level space, and applied capital expenditures. The revised analysis by the Commission indicates that a reduction in the 2013 proposed assessment is warranted.

### COMMISSION SIGNATURES

Hillary Lovick, Esq.

Andrew Dorchester

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 8, 2013

### Legal Description of Property

Square: 0377 Lot: 0044


Property Address: 950 F Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	38,821,380	Land	38,821,380
Building	189,328,650	Building	189,328,650
Total	\$ 228,150,030	Total	\$ 228,150,030

### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were retail rent, expenses, vacancy rate, lease growth rate, lease-up cost and capitalization rate. The Office of Tax and Revenue (OTR) reviewed the updated income and expense information provided by the Petitioner and addressed the retail rent, vacancy rate and lease growth rate. The Commission has reviewed the income analysis provided by both Petitioner and OTR and finds that, in this case the net operating income (NOI) provided by the Petitioner is more consistent with the normal evaluation procedures used by OTR. The OTR uses a five year lease-up projection in its income analysis. The alternative ten year lease-up projection in the Petitioners analysis does not prove that OTR's analysis is incorrect. The Petitioner provides no evidence to prove that OTR's capitalization rate is incorrect, however the Commission finds that the rate should be loaded instead of unloaded. The Commission has made corrections to the analysis however the resulting value which does not meet the 5% rule contained in D.C. Official Code § 47-825.01a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. See *1776 K Street v. District of Columbia*, 446 A.2d 1114, 1116 (D.C. 1982). The proposed Tax Year 2013 assessment is sustained.

### COMMISSIONER SIGNATURES

  
Andrew Dorchester  
Hillary Lovick, Esq.  
Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 8, 2013

### Legal Description of Property

Square: 0403 Lot: 0837

Property Address: 801 I Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	44,207,440	Land	44,207,440
Building	77,294,860	Building	77,294,860
Total	\$ 121,502,300	Total	\$ 121,502,300

### Rationale:

The subject is an office building. The Petitioner raises the following issues in this appeal: office rent, expenses, capital expenditures, storage income, roof income, and capitalization rate. Prior to the RPTAC hearing and after reviewing the Tax Year 2013 income and expense information, the Office of Tax and Revenue (OTR) addressed the following issues: storage and roof income to arrive at a revised value that is within 5% of the proposed assessment. OTR rejects the Petitioner's arguments as to the office rent, expenses, capital expenditures, and capitalization rate. The Commission has reviewed the income and expense information for Tax Year 2013 and the other documentation submitted by the parties. The Commission finds OTR's capitalization analysis to be reasonable. The Commission also finds OTR's expense allowance and office rent to be reasonable and supported by the income and expense information and the rent roll. However, the Commission finds that capital expenditures should be considered in the case. After making this adjustment, the new value does not meet the five percent rule contained in D.C. Official Code § 47-825.01a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. Accordingly, the Commission sustains the proposed Tax Year 2013 assessment

### COMMISSIONER SIGNATURES



Andrew Dorchester



Hillary Lovick, Esq.



Richard Amato, Esq.

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

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Date: January 8, 2013

### Legal Description of Property

Square: 0403 Lot: 0838

Property Address: 801 K Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	60,706,190	Land	60,706,190
Building	132,943,020	Building	132,943,020
Total	\$ 193,649,210	Total	\$ 193,649,210

**Rationale:** The Real Property Tax Appeals Commission is charged with determining an estimated market value for the subject property as of January 1, 2012 (for tax year 2013).

The Petitioner raises the following issues in this appeal: net rentable area, office and retail rents, vacancy rate, expenses, lease growth rate, capital expenditures, lease-up costs, and capitalization rate. After reviewing the income and expense data for tax year 2013, OTR addressed the following issues: increased the vacancy rate and removed the lease growth rate.

The Commission has reviewed the documentation submitted by both the Petitioner and OTR. The Petitioner argues that OTR's retail rent is too high and cites the most recent lease signed in 2010 as evidence. The Petitioner states that he viewed actual leases in the building and concluded that OTR's office rent was too high. However, the Petitioner failed to cite the most recent 2010 office lease which is actually higher than the office rent used by OTR. The Commission finds that the Petitioner failed to demonstrate by a preponderance of the evidence that the office rent, retail rent, lease-up costs, and capitalization rate used by OTR are incorrect.

The Commission agrees with the Petitioner that the net rentable area should be changed to reflect the building's actual area; that the actual expenses should be used; that the roof income is an error and should be removed; and that capital expenditures should be applied. The Commission has made these adjustments. However the new value does not meet the five percent rule contained in D.C. Official Code §47-825.01a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. Accordingly, the Commission sustains the proposed tax year 2013 assessment.

### COMMISSIONER SIGNATURES

Hillary Lovick, Esq.

Frank Sanders

Andrew Dorchester

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

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Date: January 8, 2013

### Legal Description of Property

Square: 0405 Lot: 0021

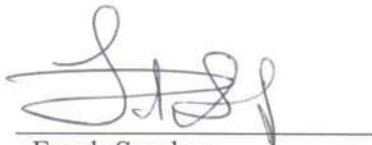
Property Address: 801 G Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	6,436,260	Land	6,436,260
Building	9,693,200	Building	8,659,165
Total	\$ 16,129,460	Total	\$ 15,095,425

### Rationale:

The subject property is a 100% owner-occupied office building. The Petitioner raises the following issues in this case: office rent, expenses, parking income, and capitalization rate. The Office of Tax and Revenue (OTR) argues that its office rent, expenses, parking income and capitalization rate analyses are supported by the market. The Commission finds OTR's analysis as to the expenses, parking income and capitalization rate to be reasonable and supported by the market. However, the Commission finds that OTR's market rent is overstated and that an adjustment is warranted. After making said adjustment, the proposed Tax Year 2013 assessment is reduced.

### COMMISSIONER SIGNATURES

  
Frank Sanders

  
Hillary Lovick, Esq.

  
Andrew Dorchester

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

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Date: January 14, 2013

### Legal Description of Property

Square: 0405 Lot: 0024

Property Address: 701 9<sup>th</sup> Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	49,631,400	Land	49,631,400
Building	143,969,240	Building	143,969,240
Total	\$ 193,600,640	Total	\$ 193,600,640

### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for tax year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were market rent, expenses, lease-up cost, and capitalization rate. The Commission has reviewed the income analysis provided by both the Petitioner and the Office of Tax and Revenue (OTR) and in this case, agrees with OTR that "an investor purchasing the subject building would determine value based on all leases encumbering the subject that would continue after ownership transfer." The proposed 2013 tax year assessment is sustained.

### COMMISSION SIGNATURES

Hillary Lovick, Esq.

Andrew Dorchester

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

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Date: January 14, 2013

### Legal Description of Property

Square: 0405 Lot: 0025

Property Address: 701 9<sup>th</sup> Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	2,167,420	Land	2,167,420
Building	0	Building	0
Total	\$ 2,167,420	Total	\$ 2,167,420

### Rationale:

The Petitioner did not challenge the assessment. The Commission sustains the proposed 2013 tax year assessment.

### COMMISSION SIGNATURES

Hillary Lovick, Esq.

Andrew Dorchester

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

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Date: January 8, 2013

### Legal Description of Property

Square: 0406 Lot: 0026

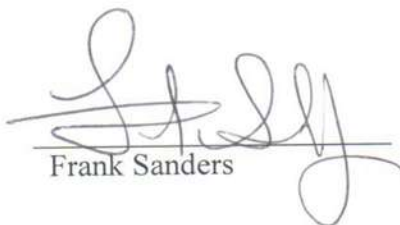
Property Address: 505 9<sup>th</sup> Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	38,456,670	Land	38,456,670
Building	213,871,250	Building	199,499,580
Total	\$ 252,327,920	Total	\$ 237,956,250

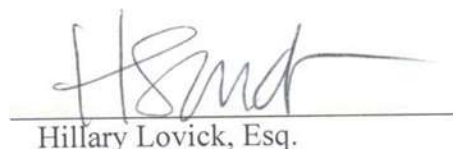
### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were storage income, market rent, market lease-up cost to owner-occupied space, vacancy rate, lease growth rate, expenses, lease-up cost deductions, and capitalization rate. The Office of Tax and Revenue (OTR) reviewed the updated income and expense information provided by the Petitioner and addressed the storage income, vacancy rate and lease growth rate. The Commission has reviewed the income analysis provided by both Petitioner and OTR and finds that in this case, the net operating income (NOI) provided by the Petitioner is more consistent with the normal evaluation procedures used by OTR. The OTR uses a five year lease-up projection in its income analysis. The alternative ten year lease-up projection in the Petitioners analysis does not prove that OTR's analysis is incorrect. The Commission agrees that market rent and market lease-up cost should be imputed to the owner-occupied space in OTR's analysis. The Petitioner provides no evidence to prove that OTR's capitalization rate used to determine the proposed assessment is incorrect; however, the Commission finds that the rate should be loaded instead of unloaded. The Commission has made the corrections to the analysis and finds that a reduction in the 2013 Tax Year proposed assessment is warranted.

### COMMISSIONER SIGNATURES



Frank Sanders



Hillary Lovick, Esq.



Andrew Dorchester

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 8, 2013

### Legal Description of Property

Square: 0407 Lot: 0815

Property Address: 401 9<sup>th</sup> Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	81,000,000	Land	81,000,000
Building	153,969,990	Building	153,969,990
Total	\$ 234,969,990	Total	\$ 234,969,990

### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were office rent, parking income, storage income, expenses, vacate probability, lease-up cost, and capitalization rate. The Office of Tax and Revenue (OTR) reviewed the updated income and expense information provided by the Petitioner and addressed the vacancy rate. The Commission has reviewed the income analysis provided by both Petitioner and OTR and finds that the parking and storage income used by OTR are what is actually reported on the income and expense (I&E) forms submitted by the Petitioner. The expenses used by OTR are higher than what is actually reported on the I&E forms. The OTR uses a five year lease-up projection in its income analysis. The alternative ten year lease-up projection in the Petitioner's analysis does not prove that OTR's analysis is incorrect. The Petitioner did not prove by a preponderance of the evidence that OTR's office rent, vacate probability, and capitalization rate were incorrect. The revisions made by OTR resulted in a revised lower value which is within 5% of the proposed assessment, therefore the Tax Year 2013 assessment is sustained.

### COMMISSIONER SIGNATURES

Andrew Dorchester

Hillary Lovick, Esq.

Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.01a of the District of Columbia Statute you are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 10, 2013

### Legal Description of Property

Square: 0428 Lot: 0020

Property Address: 810 7<sup>th</sup> Street, NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	34,465,500	Land	34,465,500
Building	101,455,430	Building	67,540,516
Total	\$ 135,920,930	Total	\$ 102,006,016

### Rationale:

The subject is an office building. The Petitioner raises the following issues in this appeal: expense allowance, vacancy rate, lease growth rate, and capitalization rate. During the Real Property Tax Appeals Commission (RPTAC) hearing, the Office of Tax and Revenue (OTR) acknowledged that the expense figure in its analysis was incorrect. The Commission has reviewed the documentation provided by both parties and has made an adjustment to the expense allowance, increased the vacancy rate, and removed the lease growth rate. However, the Commission finds that the Petitioner failed to demonstrate by a preponderance of the evidence that OTR erred in its capitalization rate analysis. After making the above-referenced adjustments, the proposed tax year 2013 assessment is reduced.

### COMMISSION SIGNATURES

Hillary Lovick, Esq.

Andrew Dorchester

Richard Amato, Esq.

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the tax year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 15, 2013

### Legal Description of Property

Square: 0455 Lot: 0839

Property Address: 700 6<sup>th</sup> Street NW


ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	33,057,640	Land	33,057,640
Building	149,406,590	Building	149,406,590
Total	\$ 182,464,230	Total	\$ 182,464,230

### Rationale:

The subject is an office building. The remaining disputed issues in this case are capital expenditures, parking, income, storage income, tenant improvements, and capitalization rate. The Petitioner argues that the parking income and storage income used by OTR is over-stated. The Petitioner also contends that the tenant improvements and capitalization rate used by the Office of Tax and Revenue (OTR) in its analysis should be higher and the capital expenditures should be considered in this case. The Commission has reviewed the documentation submitted by both parties and agrees with the Petitioner regarding the storage income. However, the Commission finds OTR's analysis as to the capital expenditures to be reasonable based on the fact that an estimate from a qualified contractor was not provided by the Petitioner. The Commission also finds OTR's analysis as to the parking income, tenant improvements, and capitalization rate to be reasonable and supported by the market. The Commission has made an adjustment to the storage income but the resulting value new value does not meet the five percent rule contained in D.C. Official Code § 47-825.01a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. Accordingly, the Commission sustains the proposed Tax Year 2013 assessment.

### COMMISSIONER SIGNATURES

  
Richard Amato, Esq.

  
Hillary Lovick, Esq.

  
Andrew Dorchester

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.



## Real Property Tax Appeals Commission

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BELOW

Date: January 8, 2013

### Legal Description of Property

Square: 0455 Lot: 0842



Property Address: 616 H Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	9,162,320	Land	9,162,320
Building	17,407,880	Building	17,407,880
Total	\$ 26,570,200	Total	\$ 26,570,200

### Rationale:

The Petitioner did not challenge the assessment. The Commission sustains the proposed 2013 Tax Year assessment.

### COMMISSIONER SIGNATURES

  
Andrew Dorchester  
Hillary Lovick, Esq.  
Frank Sanders

### FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.





## Real Property Tax Appeals Commission

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year **2013** as finalized by the Real Property Tax Appeals Commission for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW

Date: January 8, 2013

### Legal Description of Property

Square: 0455 Lot: 7001

Property Address: 616 H Street NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	64,136,250	Land	64,136,250
Building	121,854,750	Building	121,854,750
Total	\$ 185,991,000	Total	\$ 185,991,000

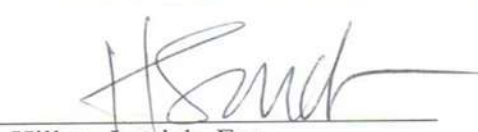
### Rationale:

The Real Property Tax Appeals Commission (RPTAC) is charged with determining an estimated market value for the subject property as of January 1, 2012 (for Tax Year 2013). The bases of the appeal are equalization and valuation. The Petitioner presented no evidence for the claim of equalization. The valuation issues presented by the Petitioner were office rent, retail rent, expenses, capital expenditures and capitalization rate. The Office of Tax and Revenue (OTR) reviewed the updated income and expense information provided by the Petitioner and did not concede on an issue presented in the Petitioners argument. The Commission has reviewed the income analysis provided by both Petitioner and OTR and finds that the Petitioner failed to show by a preponderance of the evidence that OTR's office rent, retail rent and capitalization rate are incorrect. The expenses used in OTR's analysis are greater than what is reported on the income and expense reports submitted by the Petitioner. The Commission agrees with the Petitioner that the capital expenditures listed should be considered however the reduction of the capital expenditures will result in a value which does not meet the 5% rule contained in D.C. Official Code § 47-825.01a(e)(4)(C)(ii)(2012 Supp.). This code provision only authorizes the Commission to "raise or lower the estimated value of any real property which it finds to be more than five per centum above or below the estimated market value" of the property. See *1776 K Street v. District of Columbia*, 446 A.2d 1114, 1116 (D.C. 1982). The proposed Tax Year 2013 assessment is sustained.

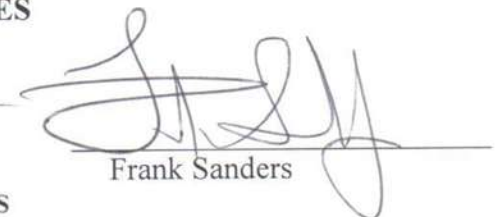
### COMMISSIONER SIGNATURES



Andrew Dorchester



Hillary Lovick, Esq.  
FURTHER APPEAL PROCEDURES



Frank Sanders

Petitioners have the right to appeal from an adverse decision of the Commission to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30<sup>th</sup> of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.